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September 8, 2005

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Sent via U.S. Mail

Eric Johnson
U.S. Environmental Protection Agency
Region 8, 8ENF-T
999 18th Street, Suite 300
Denver, Colorado 80202-2466

RE: Progress report for August 2005 activities - Hecla Mining Company Apex Site (EPA ID No. UT982589848, Docket No. RCRA-8-99-06)

Dear Mr. Johnson:

Per paragraph 64 of the Order, enclosed is a copy of the August 2005 progress report for your records.

If you have any questions please do not hesitate to call me at (208) 769-4135 or e-mail at cgypton@hecla-mining.com.

Sincerely,

Chris Gypton
Project Manager

Encl

Cc: HMC Legal Dept (w/o attachments)
John Jacus, Esq. (DG&S)

U89848
03-89



September 8, 2005

MEMORANDUM TO: Paul Glader

COPIES TO: file, distribution

FROM: Chris Gypton

SUBJECT: Progress Report No. 16 for period ending August 31, 2005;
Pond 2 Final Closure - Apex Site, Washington County, Utah

Summary

Weather conditions at the site, during the day, were satisfactory all month. Approximately 2.9 inches of rain fell in the month; most of this precipitation was related to four separate overnight storm events.

Site activities in the month focused on tailings dewatering, concurrently managing the seepage collection system and organizing the work to start final cover construction in September. The pre-construction meeting was held on August 25th and the contractor started moving equipment on site the week of August 28th.

The seepage rate has effectively ceased and the remaining water in the collection sumps dried up.

The following table summarizes estimated volume of water removed through the dewatering and seepage collection systems:

Time Period - 2005	Estm'd Gallons in Period - Seepage Collection	Gallons Pumped in Period - Dewatering	Cumulative Gallons to Evap Ponds
Feb. 18 through Feb 28	34,000	28,650	62,650
March 1 through 31	93,500	103,415	328,980
April 1 through 30	68,000	93,350	490,330
May 1 through 31	42,500	162,950	695,780
June 1 through 30	nil	96,150	791,930
July 1 through 31	nil	97,630	889,560
August 1 through 31	nil	70,560	960,140

The saturation level in the center of the impoundment has decreased enough to allow start of the Phase III, however dewatering efforts will continue as long as practical during the month of September.

Major Issues

1. BIA demand to have Pond 2 removed from Shivwits' property – A response to BIA's July 12th letter was issued on August 2nd. BIA submitted a follow-up letter dated August 25th stating they will provide additional justification for removal of Pond 2. This issue is still not resolved, however we will proceed with Phase III with the force majeure provisions in the 7003 order still in effect.

Work Planned for Next Period

1. Continue management of the existing seepage collection system as required.
2. Continue dewatering of the tailings if feasible to coordinate with final cover construction activities.
3. Start Phase III Final Cover Construction earthwork.

Work in Process

Procure Outside Services

1. The contract with Hughes General Contractors was executed on August 18th.

Procure Materials

1. The contractor placed the order for the GCL; this material is scheduled to be on site the week of September 18th.

Contractor Submittals

1. No activity

Seepage Collection System Maintenance

1. Seepage collection system was maintained concurrently with the dewatering activity.

Phase II Drain/Evaporate Excess Water

1. Personnel were on site a total of thirty one days in the month. Approximately 70,600 gallons of water was pumped out of the dewatering sumps, and transferred to the evaporation basins. Daily evaporation rate was greater than the pumping rate.

Phase III Final Cover Construction

1. The pre-construction meeting was held at site on August 25th.
2. The contractor started mobilization of heavy equipment to site on August 29th.

Sampling and Analysis in Period

Material Characterization

1. No activity

Field Tests, Inspections & QA/QC

1. No activity

Cost and Schedule

Committed costs in August 2005 were approximately \$46,200; approximately one third of the costs were related to dewatering and seepage collection system management, the remainder was related to contractor mobilization and pre-construction activities. Total project to date committed is approximately \$611,700. Forecast cost at completion is expected to be 1,182,100.

The cost report for August is attached. Current status of the deliverables listed in the RCRA 7003 order is as follows:

Deliverable	Reference Paragraph	Due	Remarks
Post warning signage around perimeter of site	57	15 days after effective date of order	Work completed on March 9, 2004
Begin implementation of closure plan	63	45 days after receipt of filing of order	Work started on February 23, 2004
Monthly progress reports	64	28th day after close of month	Requirement in effect after order is filed.
Completion report	65	30 days after completion of all closure plan tasks	To be submitted within 30 days after work has been physically completed and all contracts closed out.

The update of the schedule milestones is on the following table:

Milestone	Target	Actual	Remarks
Issue bid package – Phase I (Sump Drains)	6/14/04	6/15/04	Portion of RFP materials issued at pre-bid on 6/14/04; remainder sent via courier
Issue RFP package – Phase III	6/24/04	6/24/04	
Award contract for Phase I	6/24/04	6/29/04	Date contract was shipped to Hughes
Pre-bid meeting – Phase III	7/19/04	7/19/04	
Start Phase I (Sump Drains) construction	7/12/04	7/19/04	
Start Phase II (Evaporation)	7/19/04	7/29/04	
Receive bids for Phase III	8/2/04	8/2/04	
Re-bid Phase III contract package	April 2005	4/27/05	Date bid package was sent to Hughes
Start Phase III construction	End of August 2005	8/29/05	Start of contractor mobilization
Complete Phase III construction	End of October 2005		Revised target based on late PH III start

Supplemental Attachments

1. None

Activity	2004 Budget	Revised Budget May 2004	Committed Cost this Period	Cumulative Committed Cost To Date 8-31-05	Forecasted Cost To Complete	Forecasted Final Cost	Remarks on Forecast to Complete
Phase I - Drain Excess Liquid From Tailings							
Test wick program - Nilox		35,000		35,000	0	35,000	
Earthwork during wick test program		2,000		1,768	0	1,768	
Install drainage piping and sumps:							
Contractor mobilization/demobilization		5,500		5,500	0	5,500	
Install sumps - material & labor		20,000		24,500	0	24,500	
Build surface evaporation ponds		2,700		838	0	838	
Remove existing evaporaton ponds		2,000		0	0	0	Work moved to Phase III
Bury existing pond material & regrade		2,000		0	0	0	Work moved to Phase III
Survey monuments		3,500		1,160	500	1,660	One trip plus final report
Subtotal Phase I	189,200	72,700		68,788	500	69,288	
Phase II - Evaporate Excess Liquid							
Operate evaporation & pumping system		8,000		9,585		9,585	FY 2004 work only
Test pits to determine dewatering progress				1,320		1,320	
Upgrade evaporation cells & collection sumps				132,114		132,114	
Dewatering & seepage collection management			13,451	95,981	8,000	103,981	T&M labor + equipment; February '05 through Aug '05
Subtotal Phase II	6,000	8,000	13,451	239,000	8,000	247,000	
Phase III - Regrading & Final Cover System							
Contractor mobilization/demobilization		20,000	14,400	18,828	33,600	52,428	
Excavate existing embankment		15,000		0	137,000	137,000	
Final grading of 1% surface		2,500		0	0	0	Incl w/ 12" protection layer
Place barrier layer (GCL) - top		200,000		0	167,000	167,000	
Place barrier layer (GCL) - out slopes		50,000		0	0	0	Incl w/ GCL cover cost
Excavate diversion channel		9,100		0	40,000	40,000	
Place 12" protection layer on top surface		19,000		0	50,000	50,000	
Reconstruct outside embankment		7,350		0	0	0	Incl w/ excavation of existing embankment
Finish grade 1% surface - top		3,000		0	0	0	Incl w/ 12" protection layer
Place surface layer at out slopes (D50 = 1")		4,800		0	0	0	Incl w/ 12" protection layer
Recontour diversion channel for drainage		2,000		0	0	0	Incl w/ diversion channel exc
Place diversion channel erosion protection (3" rock)		3,800		0	0	0	Incl w/ diversion channel exc
Surveying - diversion channel drainage		2,500		0	0	0	Incl w/ diversion channel exc
Remove existing evaporation ponds		0		0	0	0	Incl w/ excavation of existing embankment
Clear site for construction		3,000		0	7,500	7,500	
Performance & Payment Bond		0		0	0	0	Requirement waived
Subtotal Phase III	337,000	342,050	14,400	18,828	435,100	453,928	
Field Indirect Costs							
Construction Management labor		108,360	10,435	176,036	63,750	239,786	
Construction Management field expenses		38,575	2,514	39,404	15,000	54,404	
Field office trailer		6,525	165	2,993	995	3,988	
COA testing		9,200		0	17,100	17,100	
COA completion report		5,000		0	5,000	5,000	
Survey and layout		2,208		348	1,860	2,208	
Material classification tests		1,500		5,762	2,500	8,262	
Consulting Engineer		42,200	3,140	40,759	9,400	50,159	
Subtotal Consultants	184,500	213,568	16,254	285,301	115,605	380,906	
Hecia Costs							
Labor	15,500	15,500	2,049	17,743	7,500	25,243	
Travel expenses	3,200	3,200		2,098	3,700	5,798	
Subtotal Hecia Costs	18,700	18,700	2,049	19,841	11,200	31,041	
Total Pond 2 Final Closure	715,400	655,018	48,154	611,733	570,405	1,182,138	

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September 8, 2005

Sent via U.S. Mail

Glenn Rogers, Chairman.
Shivwits Band of Paiute Indian Tribe
P.O. Box 448
Santa Clara, Utah 84765

John Krause
Bureau of Indian Affairs Phoenix Area Office
U.S. Department of Interior
P.O. Box 10
Phoenix, AZ 85001

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P.O. Box 720
St. George, UT 84771

RE: Progress report for August 2005 activities - Hecla Mining Company Apex Site (EPA ID
No. UT982589848, Docket No. RCRA-8-99-06)

Dear Chairman Rogers, Mr. Krause and Ms. Hamlin:

Per paragraph 64 of the Order, enclosed is a copy of the August 2005 progress report for your records.

If you have any questions please do not hesitate to call me at (208) 769-4135 or e-mail at cgypton@hecla-mining.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Gypton", written over a horizontal line.

Chris Gypton
Project Manager

Encl

Cc: HMC Legal Dept. (w/o attachments)
John Jacus, Esq. (DG&S) (w/o attachments)
Eric Johnson (USEPA, Region VIII) (w/o attachments)